

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI  
EASTERN DIVISION**

JONATHAN RAUL, Individually and on )  
Behalf of All Others Similarly Situated, )  
   ) Case No. 2:16cv194-KS-MTP  
Plaintiff,                                 )  
   )  
v.    )  
   )  
GREGORY H. MITCHELL, TED E.          )  
PARKER, J. DOUGLAS SEIDENBURG,        )  
CHARLES R. LIGHTSEY, ANDREW D.        )  
STETELMAN, DAVID W. BOMBOY, E.        )  
RICKY GIBSON, FRED A. MCMURRY,        )  
RAY COLE, JR., THE FIRST                )  
BANCSHARES, INC., A. WILBERT'S        )  
SONS LUMBER AND SHINGLE CO.,         )  
   )  
Defendants.                                )  
\_\_\_\_\_  
)

**STIPULATION CONCERNING PLAINTIFF'S VOLUNTARY DISMISSAL OF THE  
ABOVE ACTION WITH PREJUDICE AND PLAINTIFF'S COUNSEL'S  
ANTICIPATED APPLICATION FOR AN AWARD OF ATTORNEYS' FEES AND  
EXPENSES**

WHEREAS, on November 28, 2016, First Bancshares filed a Definitive Proxy Statement (Schedule 14A) (the "Proxy") with the U.S. Securities and Exchange Commission (the "SEC") scheduling a special meeting of First Bancshares's shareholders on December 29, 2016 to vote on approving the issuance of 3,563,380 shares of the Company's common stock to facilitate the conversion of convertible Series E Nonvoting Convertible Preferred Stock (the "Proposed Share Issuance");

WHEREAS, on November 9, 2016, plaintiff Jonathan Raul filed a Class Action Complaint for Violations of Sections 14(a) and 20(a) of the Securities Exchange Act of 1934 in

the Court on behalf of himself and all other similarly situated shareholders of First Bancshares against the Defendants;

WHEREAS, on November 28, 2016, Plaintiff filed a Motion for a Preliminary Injunction (the “Preliminary Injunction Motion”);

WHEREAS, on December 16, 2016, the parties entered into the Memorandum of Understanding (“MOU”) to document the parties’ agreement to moot the Action on the terms and subject to the conditions set forth therein, including that in consideration for the withdrawal of Plaintiff’s Motion for a Preliminary Injunction and the dismissal with prejudice of the Action, First Bancshares would cause additional disclosures to be filed with the SEC in a Form 8-K, which occurred on December 20, 2016 (the “Additional Disclosures”). Without admitting any wrongdoing or materiality of the Additional Disclosures, the defendants acknowledge that the prosecution of the Action and discussions with Plaintiff’s counsel were the cause of the decision to issue the Additional Disclosures;

WHEREAS, Plaintiff agrees that as a result of the Additional Disclosures, the disclosure issues related to the Private Placement identified in Plaintiff’s complaint (Dkt. No. 1) and Plaintiff’s Motion for a Preliminary Injunction have been mooted by the Additional Disclosures;

**IT IS HEREBY STIPULATED AND AGREED**, by and between the undersigned attorneys for the respective parties:

1. Plaintiff hereby voluntarily dismisses the Action, with prejudice;
2. The Additional Disclosures were issued by defendants solely in response to this Action and the efforts of Plaintiff’s counsel to prosecute class claims;
3. The Parties hereby agree to negotiate, in good faith, an agreement as to the amount of reasonable attorneys’ fees and expenses (the “Negotiated Amount”) to

be paid to Plaintiff's counsel. If the Parties are unable to reach an agreement as to the amount of any such fees and/or expenses, the Parties will negotiate and file a scheduling stipulation setting forth a briefing schedule for Plaintiff's counsel's application for an award of attorneys' fees and expenses to be determined by the Court; and

4. This Court retains continuing jurisdiction over the parties in the Action solely for purposes of further proceedings related to the adjudication of Plaintiff's counsel's anticipated application for an award of attorneys' fees and reimbursement of expenses.

Dated: January 12, 2017

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